

F. Gordon Maxson  
Director - Regulatory Affairs



GTE Service Corporation

1850 M Street, NW  
Suite 1200  
Washington, DC 20036  
202 463-5291  
202 463-5239 fax  
gmaxson@dcoffice.gte.com

April 28, 2000

Ms. Magalie R. Salas  
Secretary  
Federal Communications Commission  
Washington, DC 20554

Re: International Section 214 Application (AMERICAS-II)

Dear Ms. Salas:

Attached for filing are original and 5 copies of an Application to transfer control of the international Section 214 authorization held by GTE Telecom Incorporated to operate the AMERICAS-II submarine cable.

The \$780.00 filing fee was paid electronically to Mellon Bank and the attached Form 159 shows the electronic audit code assigned to the transaction.

Copies of this Application are being provided as shown below. If there are any questions, please contact me by telephone or e-mail.

Very truly yours,

A handwritten signature in cursive script, appearing to read "F. Gordon Maxson".

Attachment: Application

C: ITS  
Rebecca Arbogast  
George Li  
Liz Nightingale  
Breck Blalock  
Jackie Ruff  
Johanna Mikes  
Michelle Carey

READ INSTRUCTIONS CAREFULLY  
BEFORE PROCEEDING  
Electronic fee audit code  
167552201091447

FEDERAL COMMUNICATIONS COMMISSION  
**REMITTANCE ADVICE**

APPROVED BY OMB 3060-0

SPECIAL USE

FCC USE ONLY

(1) LOCKBOX # 358115

PAGE NO. \_\_\_\_\_ OF \_\_\_\_\_

**SECTION A - PAYER INFORMATION**

(2) PAYER NAME (If paying by credit card, enter name exactly as it appears on your card)

GTE

(3) TOTAL AMOUNT PAID (dollars and cents)

\$ 780.00

(4) STREET ADDRESS LINE NO. 1

1850 M Street, N.W. Suite 1200

(5) STREET ADDRESS LINE NO. 2

(6) CITY  
Washington, DC

(7) STATE

(8) ZIP CODE  
20036

(9) DAYTIME TELEPHONE NUMBER (Include area code)  
(202) 463-5291

(10) COUNTRY CODE (If not in U.S.A.)

**IF PAYER NAME AND THE APPLICANT NAME ARE DIFFERENT, COMPLETE SECTION B  
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C)**

**SECTION B - APPLICANT INFORMATION**

(11) APPLICANT NAME (If paying by credit card, enter name exactly as it appears on your card)

(12) STREET ADDRESS LINE NO. 1

(13) STREET ADDRESS LINE NO. 2

(14) CITY

(15) STATE

(16) ZIP CODE

(17) DAYTIME TELEPHONE NUMBER (Include area code)

(18) COUNTRY CODE (If not in U.S.A.)

**COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEETS (FORM 159-C)**

**SECTION C - PAYMENT INFORMATION**

(19A) FCC CALL SIGN/OTHER ID

(20A) PAYMENT TYPE CODE (PTC)

C

U

T

1

(21A) QUANTITY

(22A) FEE DUE FOR (PTC) IN BLOCK 20A

\$ 780.00

FCC USE ONLY

(23A) FCC CODE 1

(24A) FCC CODE 2

(19B) FCC CALL SIGN/OTHER ID

(20B) PAYMENT TYPE CODE (PTC)

(21B) QUANTITY

(22B) FEE DUE FOR (PTC) IN BLOCK 20B

FCC USE ONLY

(23B) FCC CODE 1

(24B) FCC CODE 2

(19C) FCC CALL SIGN/OTHER ID

(20C) PAYMENT TYPE CODE (PTC)

(21C) QUANTITY

(22C) FEE DUE FOR (PTC) IN BLOCK 20C

FCC USE ONLY

(23C) FCC CODE 1

(24C) FCC CODE 2

(19D) FCC CALL SIGN/OTHER ID

(20D) PAYMENT TYPE CODE (PTC)

(21D) QUANTITY

(22D) FEE DUE FOR (PTC) IN BLOCK 20D

FCC USE ONLY

(23D) FCC CODE 1

(24D) FCC CODE 2

**SECTION D - TAXPAYER INFORMATION (REQUIRED)**

(25)

PAYER TIN

0

1

3

1

6

7

5

5

2

2

(26) COMPLETE THIS BLOCK ONLY IF APPLICANT NAME IN B-11 IS DIFFERENT FROM PAYER NAME IN A-2

APPLICANT TIN

0

**SECTION E - CERTIFICATION**

(27) CERTIFICATION STATEMENT

I, \_\_\_\_\_, Certify under penalty of perjury that the foregoing and supporting information

(PRINT NAME)

are true and correct to the best of my knowledge, information and belief. SIGNATURE \_\_\_\_\_

**SECTION F - CREDIT CARD PAYMENT INFORMATION**

(28)

MASTERCARD/VISA ACCOUNT NUMBER:

EXPIRATION DATE:

MASTERCARD

VISA

I hereby authorize the FCC to charge my VISA or MASTERCARD  
for the service(s)/authorization(s) herein described.

AUTHORIZED SIGNATURE

DATE

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of	)	
	)	
GTE CORPORATION	)	
Transferor	)	
	)	File No.
GENUITY INC.	)	
Transferee	)	
	)	
	)	
	)	
Application for authority to transfer	)	
control of the international	)	
Section 214 authorization in the	)	
AMERICAS-II submarine cable held	)	
by GTE Telecom Incorporated	)	

**APPLICATION FOR TRANSFER OF CONTROL**

GTE Corporation ("GTE") and Genuity Inc. ("Genuity") (collectively, "Applicants"), pursuant to Section 63.18(e)(3) of the Commission's Rules, 47 C.F.R. §63.18(e)(3), respectfully request authority from the Commission to transfer control of the international Section 214 authorization, ITC-98-342 and ITC-98-342A, in the AMERICAS-II Submarine Cable<sup>1</sup> held by GTE Telecom Incorporated ("Telecom") from GTE to Genuity: Post-transaction, Genuity will be an independently controlled company. This application describes the steps involved in this transaction.<sup>2</sup>

Telecom is a common carrier providing domestic interexchange and international wholesale services.<sup>3</sup> Telecom is currently a wholly-owned subsidiary of Contel Federal

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<sup>1</sup> *In the Matter of AT&T Corp. et al.*, 13 FCC Rcd 22534 (1998). A notification of the *pro forma* assignment of this authorization from GTE Communications Corporation to Telecom is being filed contemporaneously with this application.

<sup>2</sup> Applications to transfer various cable landing licenses and the domestic Section 214 authorization in connection with this transaction are being filed contemporaneously herewith.

<sup>3</sup> Telecom's domestic interLATA service is provided pursuant to a blanket Section 214 authorization granted to all domestic carriers. A similar application is being filed contemporaneously seeking consent to

Systems, Inc., which is in turn a wholly-owned subsidiary of GTE. Pursuant to the proposed transaction, described in detail *infra*, GTE will: (1) reorganize this interest within the GTE corporate structure such that the license is assigned to a new company, renamed Telecom;<sup>4</sup> and (2) transfer control of "New" Telecom as GTE spins off Genuity as an independent corporation 90 percent owned and controlled by public shareholders through an initial public offering.<sup>5</sup> Upon the conclusion of these transactions, the international Section 214 authorizations at issue will be held by "New" Telecom and controlled by Genuity, a company held ninety percent by public shareholders and ten percent by GTE.

This application is being filed in preparation for the proposed merger between GTE and Bell Atlantic Corporation.<sup>6</sup> Authority for the transfer of control described herein is requested so the international Section 214 authorization ultimately will be controlled by a publicly-owned company and thus not be included in the proposed GTE-Bell Atlantic merger.

Applicants submit the following information to notify the Commission of the first step of this transaction, which is the *pro forma* assignment within GTE:

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transfer control of this domestic Section 214 authorization.

<sup>4</sup> Section 63.24(a)(5) of the Commission's Rules provides for *pro forma* assignment of international Section 214 authority. 47 C.F.R. § 63.24(a)(5).

<sup>5</sup> Details of the transaction have been submitted in CC Docket No. 98-184, and are incorporated herein by reference. See *Ex Parte* Letter of GTE and Bell Atlantic, April 3, 2000; Supplemental Filing, Jan. 27, 2000.

<sup>6</sup> GTE Corporation and Bell Atlantic Corporation, Application for Consent to Transfer Control, CC Docket No. 98-184, Oct. 2, 1998 (Public Notice, Oct. 8, 1998, DA 98-2035); Supplemental Filing, Jan. 27, 2000 (Public Notice, Jan. 31, 2000, DA 00-165); Further Applications and Amendments to the Merger Application, March 1, 2, 8, and 9, 2000 (Public Notice, Mar. 17, 2000, DA 00-608).

**I. THE PARTIES TO THE PRO FORMA ASSIGNMENT**

**A. GTE Telecom Incorporated (Assignor)**

Telecom is a corporation organized and existing under the laws of the State of Delaware. It is currently wholly owned by Contel Federal Systems, Inc., a Delaware corporation, which is a wholly-owned subsidiary of GTE. GTE is a corporation organized and existing under the laws of the State of New York and is the parent company of all of the GTE operating subsidiaries.

**B. GTE Interstate Communications Incorporated, Which Will Become "New" GTE Telecom Incorporated (Assignee)**

GTE Interstate Communications Incorporated ("GTE Interstate"), which will become "New" GTE Telecom Incorporated (also "Telecom"), is a corporation organized and existing under the laws of the State of Delaware and wholly owned by Genuity, formerly GTE Internetworking Incorporated.

**C. International Affiliations**

Telecom is affiliated with foreign carriers through common ownership or control of such carriers by GTE. These affiliations are a matter of record before the Commission.<sup>7</sup> The routes to the Dominican Republic and Venezuela are treated as dominant because of the GTE affiliations in those countries.

**D. The Pro Forma Assignment**

As depicted in Exhibit 1, Telecom's international Section 214 authorizations are assigned on a *pro forma* basis from Telecom to GTE Interstate, a wholly-owned subsidiary of Genuity, which is in turn a wholly-owned subsidiary of GTE. GTE Interstate will immediately change its name to Telecom. Accordingly, after completion of this step, "New" Telecom, which will hold the interest in the international Section 214 authorization, would be

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<sup>7</sup> Described in FCN-NEW-19981104-00038 and updated on June 21, 1999. Further update filed April 5, 2000 appeared on Public Notice April 27, 2000 under file number FCN-NEW-20000410-00021.

a wholly-owned subsidiary of Genuity, which in turn is a wholly-owned subsidiary of GTE. Since this assignment is within the control of GTE, it should be considered a *pro forma* transaction under Section 63.24(a)(5) of the Commission's Rules. This transaction does not affect GTE's ultimate control of Telecom's international Section 214 authorizations.

Applicants submit the following information in support of this Application:

## **II. THE PARTIES TO THE TRANSFER OF CONTROL**

### **A. GTE Corporation (Transferor)**

GTE is a corporation organized and existing under the laws of the State of New York and is the parent company of all of the GTE operating subsidiaries.

### **B. Genuity Inc. (Transferee)**

Genuity, formerly GTE Internetworking Incorporated, is a Delaware corporation wholly owned by GTE at the present time. In connection with the merger between GTE and Bell Atlantic Corporation, it is proposed that Genuity will be spun-off to the public in an initial public offering ("IPO"). A registration statement for this public offering was filed with the Securities and Exchange Commission on April 7, 2000. Upon completion of the IPO, Genuity will no longer be controlled by GTE, but instead will be owned ten percent by GTE and ninety percent by a diverse roster of public shareholders.

### **C. International Affiliations**

With the spin-off of Genuity from GTE, neither Genuity nor its subsidiary, Telecom, will then be affiliated with any foreign telecommunications carrier or have any interlocking directorates with a foreign telecommunications carrier. As a consequence, Telecom should be classified as non-dominant on the routes to the Dominican Republic and Venezuela.

### **D. The Transfer of Control**

As depicted in Exhibit 2, GTE requests authority to transfer control of Telecom's international Section 214 authorization in AMERICAS-II to Genuity, a company held ninety percent by public shareholders and ten percent by GTE.

### **III. PUBLIC INTEREST CONSIDERATIONS**

Consummation of the proposed transfer of control will serve the public interest by enabling the spin-off of certain of GTE's interstate and international assets into an independently owned and controlled company. Genuity, the planned new parent of Telecom, already has interests in private cables through its subsidiary, GTE Intelligent Network Services Incorporated.<sup>8</sup> GTE and Bell Atlantic have already shown in the merger proceeding that the Genuity solution would serve the public interest. It would preserve the integrity of Genuity's business while providing incentives for the merged GTE and Bell Atlantic to attain Section 271 authority and eventually to acquire control of Genuity. For the same reasons, the public interest would be served by allowing the transfer of control of Telecom and its interest in the authorization at issue from GTE to Genuity.

### **IV. INFORMATION REQUIRED BY SECTION 63.18 OF THE COMMISSION'S RULES**

Applicants submit the following information for the transfer of control:

- (a) Names, addresses, and telephone numbers of GTE and Genuity are:

GTE Corporation  
1255 Corporate Drive.  
Irving, TX 75039  
Tel: (972) 507-2105  
Contact Person: Marianne Drost

Genuity Inc.  
3 Van de Graaff Drive  
Burlington, MA 01803  
Tel: (781) 262-4303  
Contact Person: Ira Parker

- (b) GTE Corporation is a corporation organized under the laws of the State of New York. Genuity Inc. is a corporation organized under the laws of the State of Delaware.

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<sup>8</sup> Transfer of control of GTE's interest in the private cable landing licenses to the public company will be effected through a contemporaneously filed separate application.

- (c) Correspondence concerning this application should be sent to:

Gail L. Polivy, Esq.  
GTE Service Corporation  
1850 M Street, NW, Suite 1200  
Washington, DC 20036  
Tel: (202) 463-5200

And in addition to:

Ondrea Dae Hidley, Esq.  
Genuity, Inc.  
5221 N. O'Connor Blvd.  
East Tower, 14<sup>th</sup> Floor [HQL09A80]  
Irving, TX 75039  
Tel: (972) 791-1745

- (d) Telecom seeks to continue to offer wholesale services under its new parent corporation pursuant to its international Section 214 authority.
- (e)(3) This application for transfer of control of an existing international Section 214 authorization provides information for paragraphs (a) - (d) for both the transferor and transferee and information for paragraphs (h) through (p) for the transferee. The beginning of this application provides a narrative of the means by which the transfer will take place.
- (f) Applicants are not seeking streamlined treatment under Section 63.12 of the Commission's Rules, 47 C.F.R. § 63.12.
- (g) Not applicable.
- (h) Only GTE will hold directly or indirectly at least ten percent of the equity of Genuity. The remaining ninety percent interest will be held by a diverse roster of public shareholders. GTE's address, citizenship principal business and equity interest in Genuity is:

<u>Name</u>	<u>Address</u>	<u>Citizenship</u>	<u>Principal Business</u>	<u>Interest</u>
GTE Corporation	1255 Corporate Dr. Irving, TX 75038	U.S.	Telecommunications	10%

GTE Corporation's ownership is a matter of record before the Commission. No single shareholder owns ten percent or more of GTE's equity.

- (i) Genuity certifies that it is not a foreign carrier and post-transaction will not be affiliated with a foreign telecommunications carrier.
- (j) Genuity certifies that it does not seek to provide international telecommunications services to any destination country where it is, controls, or is affiliated with a foreign telecommunications carrier.



- (k) Not applicable.
- (l) Genuity does not seek to resell the international services of unaffiliated carriers for the purpose of providing international telecommunications services to any country where it is a foreign carrier or is affiliated with a foreign telecommunications carrier.
- (m) Genuity qualifies for non-dominant treatment on all routes pursuant to Section 63.10 of the Commission's Rules, 47 C.F.R. § 63.10, because Genuity is not a foreign carrier and is not affiliated with a foreign telecommunications carrier. Telecom will become non-dominant on the routes to Venezuela and the Dominican Republic.
- (n) Genuity certifies that it has not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into such agreements in the future.
- (o) Genuity certifies pursuant to Sections 1.2001 through 1.2003 of the Commission's Rules, 47 C.F.R. §§ 1.2001-1.2003, that it is not subject to the denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 853(a).
- (p) Not applicable. This Section 214 authority is in conjunction with a submarine cable landing license which is the subject of a contemporaneously filed application to transfer control of the interest in that license.

V. CONCLUSION

For the reasons stated above, GTE and Genuity respectfully submit that the public interest, convenience and necessity would be furthered by a grant of this application for transfer of control of Telecom's international Section 214 authorization in the AMERICAS-II submarine cable from GTE to Genuity and for the related intracorporate transactions that precede it.

Respectfully submitted,



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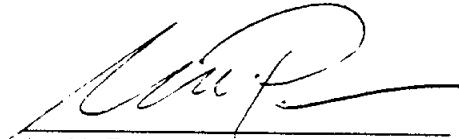
Geoffrey C. Gould  
Vice President – Government &  
Regulatory Affairs  
GTE Corporation  
1850 M Street NW, Suite 1200  
Washington, DC 20036  
Tel: (202) 463-5200  
Fax (202) 463-5279

Dated: April 28, 2000

The next page contains the signature for Genuity Inc.

Continuation of signature page.

Respectfully submitted,

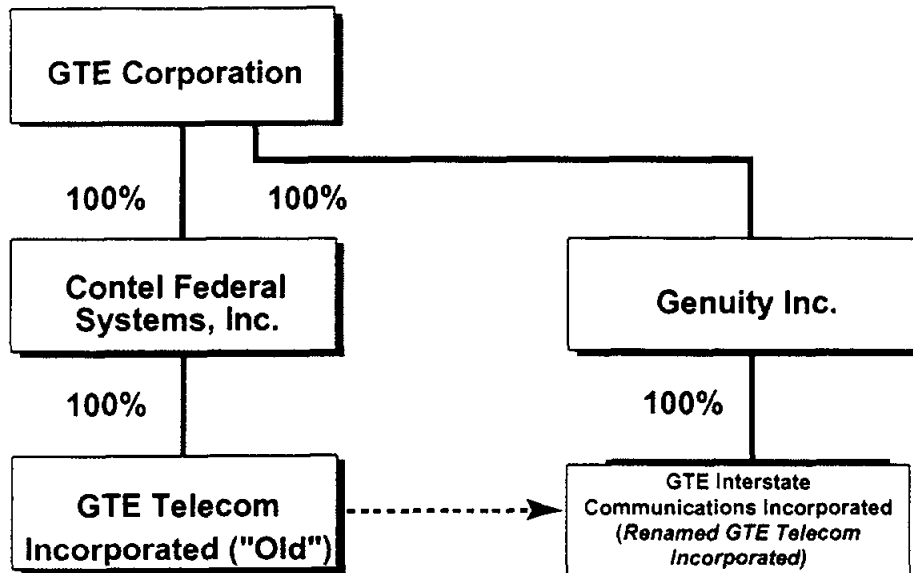
A handwritten signature in black ink, appearing to read 'Ira H. Parker', written over a horizontal line.

Ira H. Parker  
Secretary  
Genuity Inc.  
3 Van de Graaff Drive  
Burlington, MA 01803  
Tel: (781) 262-4303  
Fax: (781) 262-3408

Dated: April 28, 2000

EXHIBIT 1

PRO FORMA ASSIGNMENT



Merger of GTE Telecom and its international Section 214 authorizations into GTE Interstate. GTE Interstate is the surviving company but is renamed GTE Telecom.

**EXHIBIT 2  
TRANSFER OF CONTROL**

